

## **Idaho Public Utilities Commission**

Case No. INT-G-13-02, Order No. 32735

March 4, 2013

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### **Intermountain Gas seeks approval to sell surplus LNG**

State regulators are taking public comment on an Intermountain Gas Company proposal to sell its surplus liquefied natural gas to non-utility customers. The proposal would not increase customer rates and could potentially decrease rates through the company's annual Purchased Gas Cost Adjustment (PGA) process.<sup>i</sup>

The natural gas distribution company expects to have excess capacity at its Nampa LNG facility for the next few years. It proposes to sell that excess and share 50 percent of the sales revenue with customers until system growth requires it to use all its LNG to meet peak-day needs for its customers. The Idaho Public Utilities Commission is taking comments through March 18 on the proposal.

The company says it will use all stored LNG to first satisfy utility customer demand, even if some of the stored LNG was initially designated for non-utility sales. It will also provide a 2.5-cent credit for each gallon sold to meet any operations and maintenance costs resulting from non-utility sales and another 2.5 cents per gallon to meet any capital expenditures or increased maintenance costs to the Nampa facility.

Under Intermountain's proposal, all non-utility customers would be required to sign a contract protecting its utility customers from financial risk as well as risks to the company after the LNG is transferred to a non-utility customer. Intermountain Gas said it will accept all financial risk and will insulate utility customers from any costs associated with non-utility sales by separately accounting for and tracking all related costs independent of utility costs.

Comments are accepted via e-mail by accessing the commission's homepage at [www.puc.idaho.gov](http://www.puc.idaho.gov) and clicking on "Comments & Questions About a Case." Fill in the case number (INT-G-13-02) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A full text of the commission's order, the company's application and other documents related to this case, is available on the commission's Web site. Click on "File Room" and then on "Open Gas Cases" and scroll down to the above case number.

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<sup>i</sup> The yearly Purchased Gas Cost Adjustment tracks gas supply and transportation costs that vary from year to year. If those costs are higher than what is already included in rates, customers get a one-year surcharge. If those costs are lower, customers get a credit. The PGA is usually adjusted Oct. 1 of each year, but if gas prices materially change more than one adjustment can be made during a year.